

Attachment E
May 1972 Progress Report

Okinawa Bureau

REVERSION

The long anticipated reversion of Okinawa to Japan was accomplished on 15 May with a minimum of fanfare but with a host of side effects. The bureau's painstaking planning so far has paid off in a smooth transition, although many technical details still must be worked out. Some rules are obscure, and hopefully some will remain obscure.

As late as 8 May, five teletypists, our cruising monitor, and two technicians had resolved to terminate services and take the very sizeable separation allowances that the Reversion agreement had dangled in front of them. After a series of earnest discussions with the bureau chief and other officers, in the end only two chose to terminate. The others were converted under the Master Labor Contract (MLC) to a new wage scale payable in yen.

This scale provides a variety of extra allowances and literally endless in-grade steps, and approximately a 30% overall wage increase. But it has only 10 basic grades compared to 15 grades in the old system. Even though carefully planned, the conversion inevitably brought some changes in the relative internal pecking order. Several employees genuinely felt a loss of face that additional salary could not offset. Further discussions were required to overcome their disenchantment.

Two Third Country National employees with more than 20 years of service each -- [redacted] who are well known to many FBIS staffers -- lost their TCN status since they are Japanese and by law must be brought under the Master Labor Contract. Psychologically, the blow was enormous. Practically, it meant a late change in life plans. For years, they noted, they had planned on using the U. S. Civil Service system as the basis for income in their "reclining" years. Both planned eventually to become American citizens -- one is already a U. S. alien resident -- and retire in the States on civil service pensions. Both had allowed their children to become highly Americanized, as had all other TCNs. Living in our community, the children understandably had not acquired familiarity with Japanese culture, nor could they read or even acceptably understand Japanese. Finally, Japanese on the Okinawa economy do not have the same connections as Okinawans. Considered "outsiders", they often pay higher "foreigner" prices. Probably their situation is similar to that of continental U. S. citizens living in Mayaguez among Puerto Rican-born U. S. citizens.

STAT

While the above picture is largely true, the sharp cutting edge of the change can be blunted by legitimate FBIS actions. Nonetheless the

psychological blow to devoted, valued, long term (not to say, inexpensive) employees cannot be dismissed as unimportant.

Throughout the prefecture, Okinawans are apprehensive and tense, and our TCNs eye developments with perturbation. Prices on the domestic economy, even of common household items, have skyrocketed -- 50 percent hikes are common -- partly because some wages were converted at the artificial 360-1 exchange rate, partly because of new import duties and restrictions, and a good bit out of sheer profiteering.

Officialdom is confused: Jammed docks cannot be cleared because local customs officials do not know the procedures; outgoing lines at airports are long and slow-moving as clerks ponder each passport.

Enforcement of laws new to Okinawa is causing some resentment. For example, those on licensing, insurance, registration, and inspection are forcing many drivers off the road and making many cars unsaleable. While this is not entirely an unwelcome development, it is not cheerfully accepted by Okinawans.

Tranquillity will not be promoted by the current political campaign for Governor to be elected 26 June. Incumbent Yara is a temporary holdover from the GRI regime. His "reformist" platform continues his criticism of revision conditions and of the presence of military bases. His opponent, former chief executive Ohta, a Liberal Democrat, charges (not unreasonably) that "reformists" demonstratively lack administrative ability and a sense of responsibility. He praises the Japanese Government's policies toward Okinawa. Informal reports suggest Yara has the edge so far.